

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
RADNOR HOLDINGS :
CORPORATION, et al., : Case No. 06-10894 (PJW)
Debtors. : Jointly Administered
: Related Docket No. 512
- - - - - X

APPELLANTS' STATEMENT OF ISSUES ON APPEAL AND
DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD WITH
RESPECT TO APPEAL OF ORDER GRANTING OFFICIAL COMMITTEE
OF UNSECURED CREDITORS STANDING TO PROSECUTE ACTIONS ON
BEHALF OF THE DEBTORS' ESTATES AGAINST TENNENBAUM
CAPITAL PARTNERS, LLC, SPECIAL VALUE EXPANSION FUND,
LLC, SPECIAL VALUE OPPORTUNITIES FUND, LLC, AND JOSE E.
FELICIANO, AND RELATED RELIEF

The appellants, debtors and debtors-in-
possession in the above-captioned jointly administered
bankruptcy cases (collectively, the "Appellants" or the
"Debtors"),¹ hereby file this (i) statement of issues on
appeal and (ii) designation of items to be included in

¹ The Debtors are the following entities: Radnor Holdings Corporation ("Radnor"), Benchmark Holdings, Inc., Radnor Asset Management, Inc., Radnor Chemical Corporation, Radnor Delaware II, Inc., Radnor Investments II, Inc., Radnor Investments III, Inc., Radnor Investments, Inc., Radnor Investments, L.L.C., Radnor Management Delaware, Inc., Radnor Management, Inc., StyroChem Delaware, Inc., StyroChem Europe Delaware, Inc., StyroChem GP, L.L.C., StyroChem LP, L.L.C., StyroChem U.S. Ltd., WinCup Europe Delaware, Inc., WinCup GP, L.L.C., WinCup Holdings, Inc., WinCup LP, L.L.C., WinCup RE, L.L.C., and WinCup Texas, Ltd.

the record pursuant to Federal Rule of Bankruptcy Procedure 8006 in connection with the appeal, on an expedited basis, of the Order Granting the Official Committee of Unsecured Creditors Standing to Prosecute Actions on Behalf of the Debtors' Estates against Tennenbaum Capital Partners, LLC, Special Value Expansion Fund, LLC, Special Value Opportunities Fund, LLC, and Jose E. Feliciano and Related Relief (Docket No. 512) (the "Standing Order"), entered by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on October 30, 2006.

The parties to this appeal are the Appellants and the Official Committee of Unsecured Creditors (the "Creditors' Committee"). On October 18, 2006, the Creditors' Committee filed its Motion for Order Granting the Committee Standing to Prosecute Actions on Behalf of the Debtors' Estates against Tennenbaum Capital Partners, LLC; Special Value Expansion Fund, LLC; Special Value Opportunities Fund, LLC; and Jose E. Feliciano; and for Related Relief (Docket No. 425) (the "Standing Motion"). Through the Standing Motion, the Creditors' Committee

sought, inter alia, standing to pursue certain causes of action, set forth in the form of complaint (the "Complaint") attached as an exhibit to the Standing Motion. On October 25, 2006, the Debtors filed their Response to the Standing Motion (the "Standing Objection") (Docket No. 477). A hearing was held on the Standing Motion and the Standing Objection on October 27, 2006 (the "Standing Hearing"). The Bankruptcy Court orally issued a ruling that granted the Standing Motion following the conclusion of the Standing Hearing. Subsequently, on October 30, 2006, the Bankruptcy Court entered the Standing Order. Following the entry of the Standing Order, the Debtors noticed the instant appeal.

STATEMENT OF ISSUES ON APPEAL

1. Whether the Bankruptcy Court applied the proper standard in determining whether to grant the Creditors' Committee standing to file the Complaint and pursue estate causes of action?
2. Whether the Bankruptcy Court erred in determining that the Creditors' Committee made no demand on the board of directors of Radnor (the "Radnor Board")?

3. Whether the Bankruptcy Court erred in determining that any demand on the Radnor Board was excused as futile?

4. Whether the Bankruptcy Court erred in considering deposition testimony in determining that demand on the Radnor Board was excused as futile?

5. Whether the Bankruptcy Court erred in determining that Counts 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 of the Complaint were direct, not derivative causes of action that may properly be prosecuted by the Creditors' Committee?

6. Whether the Bankruptcy Court erred as a matter of law in determining that Counts 13 and 14 of the Complaint were both direct and derivative causes of action that may properly be prosecuted by the Creditors' Committee?

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

The Debtors designate the items set forth below to be included in the record on appeal:

Appeal Record No.	Docket No.	Date	Document
1	3	8/21/06	Declaration of Paul Ridder, Vice President, Chief Financial Officer and Assistant Secretary of Radnor Holdings Corporation, in Support of Chapter 13 Petitions and First Day Pleadings
2	20	8/21/06	Debtors' Motion for Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and Federal Rule of Bankruptcy Procedure 4001 (I) Authorizing Debtors (A) to Obtain Post-Petition Financing and (B) to Utilize Cash Collateral; (II) Granting Adequate Protection to Pre-Petition Secured Parties; and (III) Scheduling Interim and Final Hearings
3	24	8/21/06	Debtors' Motion for (I) an Order (A) Establishing Bidding Procedures Relating to the Sale of the Debtors' Assets, (B) Scheduling a Hearing to Consider the Proposed Sale and Approving the Form and Manner of Notice Thereof, (C) Establishing Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, Including Notice of Proposed Cure Amounts, (D) Approving Bid Protections, and (E) Granting Certain Related Relief; and (II) an Order (A) Approving the Proposed Sale, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Certain Related Relief

Appeal Record No.	Docket No.	Date	Document
4	53	8/23/06	Amended Interim Order (I) Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (II) Granting Liens, Security Interests and Superpriority Claims; (III) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364; and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 2002, 4001 and 9014
5	89	8/25/06	Notice of Commencement of Chapter 11 Bankruptcy Cases, Meeting of Creditors and Fixing of Certain Dates
6	123	8/31/06	Transcript of August 22, 2006 First Day Hearing
7	126	8/31/06	Notice of Appointment of Committee of Unsecured Creditors
8	132	9/1/06	Debtors' Application for Order under Bankruptcy Code Sections 327(e) and 1107(a) and Bankruptcy Rules 2014 and 2016 Authorizing Employment and Retention of Wilmer Cutler Pickering Hale and Dorr LLP as Special Investigative Counsel to the Company Acting Through the Special Committee of the Board of Directors of Radnor Holdings Corporation <u>Nunc Pro Tunc</u> to August 25, 2006

Appeal Record No.	Docket No.	Date	Document
9	150	9/12/06	Emergency Motion of the Official Committee of Unsecured Creditors for Continuance of September 18, 2006 Hearing on: (1) Debtors' Motion for an Order (A) Establishing Bidding Procedures Relating to the Sale of the Debtors' Assets, (B) Scheduling a Hearing to Consider the Proposed Sale and Approving the Form and Manner of Notice Thereof, (C) Establishing Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, Including Notice of Proposed Cure Amounts, (D) Approving Bid Protections, and (E) Granting Certain Related Relief; and (2) Debtors' Motion for Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and Federal Rule of Bankruptcy Procedure 4001, Authorizing Debtors to Obtain Post-Petition Financing and to Utilize Cash Collateral, Granting Adequate Protection to Pre-Petition Lenders, and Seeking Other Relief
10	156	9/12/06	Notice of Filing of Proofs of Claim by Tennenbaum Capital Partners, LLC
11	226	9/19/06	Transcript of September 14, 2006 Hearing
12	276	9/22/06	Order under Bankruptcy Code Sections 327(e) and 1107(a) and Bankruptcy Rules 2014 and 2016 Authorizing Employment and Retention of Wilmer Cutler Pickering Hale and Dorr LLP as Special Investigative Counsel to the Company Acting Through the Special Committee of the Board of Directors of Radnor Holdings Corporation <u>nunc pro tunc</u> to August 25, 2006

Appeal Record No.	Docket No.	Date	Document
13	277	9/22/06	Order Pursuant to 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002 and 6004 (I) Establishing Bid Procedures Relating to the Sale of Debtors' Assets, (II) Scheduling a Hearing to Consider the Proposed Sale and Approving the Form and Manner of Notice Thereof, (III) Establishing Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, Including Notice of Proposed Cure Amounts, (IV) Approving the Break-Up Fee and Expense Reimbursement Provision, and (V) Granting Related Relief
14	278	9/22/06	Final Order (I) Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (II) Granting Liens, Security Interests and Superpriority Claims; (III) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364
15	298	9/28/06	Transcript of September 20, 2006 Hearing
16	369	10/11/06	Transcript of September 22, 2006 Hearing
17	385	10/13/06	Scheduling Order with Respect to Committee's Objections to Tennenbaum Claims
18	391	10/13/06	Motion of Official Committee of Unsecured Creditors to Modify Bid Procedures Order
19	394	10/16/06	Notice of Auction and Sale Hearing

Appeal Record No.	Docket No.	Date	Document
20	425	10/18/06	Motion of Official Committee of Unsecured Creditors for Order Granting the Committee Standing to Prosecute Actions on Behalf of the Debtors' Estates Against Tennenbaum Capital Partners, LLC; Special Value Expansion Fund, LLC; Special Value Opportunities Fund, LLC; and Jose E. Feliciano, and for Related Relief
21	426	10/18/06	Objection of the Official Committee of Unsecured Creditors to Proposed Credit Bid
22	440	10/23/06	Transcript of October 20, 2006 Hearing
23	443	10/23/06	Transcript of October 4, 2006 Hearing
24	470	10/24/06	Memorandum of Points and Authorities in Support of the (A) Motion of Official Committee of Unsecured Creditors for Order Granting the Committee Standing to Prosecute Actions on Behalf of the Debtors' Estates Against Tennenbaum Capital Partners, LLC; Special Value Expansion Funds, LLC; Special Value Opportunities Fund, LLC; and Jose E. Feliciano, and for Related Relief [Docket No. 425], (B) Complaint Against Tennenbaum Capital Partners, LLC; Special Value Expansion Funds, LLC; Special Value Opportunities Fund, LLC; and Jose E. Feliciano [Docket No. 425-2] and (C) Objection of the Official Committee of Unsecured Creditors to Proposed Credit Bid [Docket No. 426]
25	474	10/25/06	Debtors' Reply to Objection of the Official Committee of Unsecured Creditors to Proposed Credit Bid
26	475	10/25/06	Debtors' Limited Objection to Proposed Credit Bid of TR Acquisition Co., Inc.
27	476	10/25/06	Notice of Debtors' Objection to Claims of Tennenbaum Capital Partners, LLC, Special Value Expansion Funds, LLC, and Special Value Opportunities Fund, LLC

Appeal Record No.	Docket No.	Date	Document
28	477	10/25/06	Debtors' Response to Motion for Order Granting the Committee Standing to Prosecute Actions on Behalf of the Debtors' Estates Against Tennenbaum Capital Partners, LLC, Special Value Expansion Fund, LLC, Special Value Opportunities Fund, LLC, and Jose E. Feliciano; and for Related Relief
29	478	10/25/06	Compendium of Unreported Opinions to Debtors' Response to Motion for Order Granting the Committee Standing to Prosecute Actions on Behalf of the Debtors' Estate Against Tennenbaum Capital Partners, LLC, Special Value Expansion Funds, LLC, Special Value Opportunities Fund, LLC; and Jose E. Feliciano; and Related Relief
30	512	10/30/06	Order Granting Official Committee of Unsecured Creditors Standing to Prosecute Actions on Behalf of the Debtors' Estates Against Tennenbaum Capital Partners, LLC, Special Value Expansion Funds, LLC, Special Value Opportunities Fund, LLC, and Jose E. Feliciano and Related Relief
31	533	10/31/06	Transcript of October 25, 2006 Hearing
32	570	11/3/06	Notice of Appeal re: Order Granting Committee Standing Motion
33	582	11/6/06	Transcript of October 27, 2006 Hearing

RESERVATION OF RIGHTS

The Debtors expressly reserve their rights in the United States District Court for the District of Delaware to object to or otherwise move to strike or

modify some or all of any counter-designation of items to be included in the record on appeal or counter-statement of issues to be presented that might be submitted by the Creditors' Committee.

Dated: Wilmington, Delaware
November 13, 2006

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

A handwritten signature in black ink, appearing to read 'MG', followed by a long horizontal line.

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